

## Message Text

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ORIGIN DOEE-00

INFO OCT-01 AF-10 ISO-00 SOE-02 SSO-00 INRE-00 NSCE-00  
ACDA-12 CIAE-00 INR-10 IO-13 L-03 NSAE-00 EB-08  
NRC-05 OES-09 DODE-00 DOE-15 SS-15 SP-02 CEQ-01  
PM-05 SAS-02 /113 R

DRAFTED BY USDOE:IA:NA:JGARRETT:RAE  
APPROVED BY OES/NET:DHOYLE  
USDOE:IA:NSIEVERING  
S/AS - BOB KELLEY  
PM/NPP - A LOCKE  
T/D - D. WELCH  
ACDA - C VAN DOREN  
L/N - R BETTAUER  
OES/NET/EIC - D H COOPER  
AF/S - L MACFARLANE

-----121486 071543Z /53

O 071509Z AUG 78  
FM SECSTATE WASHDC  
TO AMEMBASSY PRETORIA IMMEDIATE

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E.O. 11652:N/A

TAGS: TECH, ENGR

SUBJECT: PURCHASE OF RECOVERED URANIUM SAFARI-1 SPENT FUEL

REFS; (A) STATE 163988; (B) PRETORIA 3680; (C) PRETORIA  
3992

1. THE FOLLOWING IS THE PROPOSED TEXT OF AN AGREEMENT FOR  
PURCHASE OF THE HIGHLY ENRICHED URANIUM (HEU) RECOVERED FROM  
THE SAFARI-1 RESEARCH REACTOR SPENT FUEL RECEIVED FROM THE  
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SOUTH AFRICAN ATOMIC ENERGY BOARD BETWEEN JUNE, 1976 AND  
JANUARY, 1978, UNDER CONTRACTS E (49-14)-3054 AND EY-76-C-  
09-1030 (PREVIOUSLY E (49-14)-3085). YOUR ASSISTANCE IN  
PROVIDING THE TEXT TO THE APPROPRIATE SOUTH AFRICAN OFFICI-  
AL FOR REVIEW WOULD BE APPRECIATED.

2. THE DEPARTMENT OF ENERGY (DOE) IS PREPARED TO SIGN THE

PURCHASE AGREEMENT. HOWEVER, IT IS NOT CLEAR WHETHER THE BOARD INTENDS TO SIGN THE AGREEMENT IN SOUTH AFRICA OR AUTHORIZE THEIR EMBASSY IN WASHINGTON, D.C. TO SIGN. IF THE SOUTH AFRICAN EMBASSY IS AUTHORIZED TO SIGN, DOE WILL NEED A LETTER OF AUTHORIZATION FROM THE APPROPRIATE OFFICIAL. THE LETTER OF AUTHORIZATION SHOULD ALSO STATE THE PERSONS NAME GIVEN THE AUTHORIZATION.

3. AS REQUESTED IN REF (C), DOE AGREES TO ARRANGE PAYMENT FOR THE RECOVERED HEU TO THE SOUTH AFRICAN ATOMIC ENERGY BOARD THROUGH THE SOUTH AFRICAN EMBASSY IN WASHINGTON. SUCH PAYMENT WILL BE MADE AS SOON AS PRACTICABLE AFTER THE DATE OF EXECUTION OF THE PURCHASE AGREEMENT. DOE EXPECTS THAT SUCH PAYMENT WILL BE MADE WITHIN ABOUT THREE (3) WEEKS FOLLOWING EXECUTION OF THE AGREEMENT.

TEXT OF PURCHASE AGREEMENT  
CONTRACT NO. EW-78-C-05-6062

#### AGREEMENT

THIS AGREEMENT, ENTERED INTO THIS      DAY OF      ,  
1978, BY AND BETWEEN THE UNITED STATES OF AMERICA (HEREINAFTER REFERRED TO AS THE "GOVERNMENT"), ACTING THROUGH THE SECRETARY OF ENERGY, THE STATUTORY HEAD OF THE DEPARTMENT OF ENERGY (HEREINAFTER REFERRED TO AS "DOE"), AND HIS LIMITED OFFICIAL USE

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AUTHORIZED REPRESENTATIVES, AND THE SOUTH AFRICAN ATOMIC ENERGY BOARD (HEREINAFTER REFERRED TO AS THE "BOARD"), ACTING FOR AND ON BEHALF OF THE REPUBLIC OF SOUTH AFRICA, PURSUANT TO THE AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT AND THE REPUBLIC OF SOUTH AFRICA CONCERNING PEACEFUL USES OF NUCLEAR ENERGY;

WITNESSETH THAT:

WHEREAS, THE BOARD HAS PREVIOUSLY PURCHASED FROM DOE CERTAIN QUANTITIES OF HIGHLY ENRICHED URANIUM FOR USE IN ITS NUCLEAR RESEARCH REACTOR DESIGNATED AS SAFARI 1; AND

WHEREAS, SUCH BOARD-OWNED SPECIAL NUCLEAR MATERIAL HAS BEEN IRRADIATED IN SUCH NUCLEAR REACTOR AND RETURNED TO DOE FOR CHEMICAL PROCESSING UNDER CONTRACT NOS. E(49-14)-3054 AND EY-76-C-09-1030;

WHEREAS, UNDER THE AFOREMENTIONED CONTRACTS, THE BOARD HAS PAID DOE FOR SUCH PROCESSING SERVICES AND FOR SERVICES TO CONVERT SUCH MATERIAL TO UF<sub>6</sub>; AND

WHEREAS, THE BOARD DESIRES TO SELL SUCH SPECIAL NUCLEAR MATERIAL TO DOE AND DOE HAS DETERMINED THAT THE INTERESTS OF THE UNITED STATES ARE SERVED BY THE PURCHASE OF SUCH SPECIAL NUCLEAR MATERIAL; AND

WHEREAS, THIS AGREEMENT IS AUTHORIZED BY THE ATOMIC ENERGY ACT OF 1954, AS AMENDED, THE ENERGY REORGANIZATION ACT OF 1974 (PL 93-438) AND OTHER APPLICABLE LAW; THE DEPARTMENT OF ENERGY ORGANIZATION ACT (PL 95-91);

NOW, THEREFORE, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I - ENRICHED URANIUM TO BE SOLD TO DOE - PUR-  
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CHASE AMOUNT - TITLE

1. DOE AGREES TO PURCHASE, AND THE BOARD AGREES TO SELL, ENRICHED URANIUM IN ACCORDANCE WITH THE TERMS AND CONDITIONS AS HEREINAFTER SET FORTH.

2. THE ENRICHED URANIUM TO BE PURCHASED HEREUNDER CONSISTS OF 21,809 GRAMS OF URANIUM CONTAINING 16,675 GRAMS OF THE ISOTOPE U-235. THE FOREGOING REPRESENTS THE ENRICHED URANIUM RECOVERED FROM SHIPMENTS OF IRRADIATED SPECIAL NUCLEAR MATERIAL TO DOE UNDER THE AFOREMENTIONED CHEMICAL PROCESSING CONTRACTS, AS FOLLOWS:

QUANTITY (GRAMS)	ASSAY (WEIGHT) PERCENT U-235	DATE OF DELIVERY TO DOE
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3349	82.81	6-17-76
2963	76.35	10-25-76
5193	74.07	5-18-77
5282	74.29	9-21-77
5022	76.99	1-03-78

3. THE AMOUNT TO BE PAID TO THE BOARD BY DOE FOR THE ENRICHED URANIUM TO BE SOLD HEREUNDER IS \$666,849.34, CALCULATED ON THE BASIS OF THE PRESENT PRICE OF ENRICHED URANIUM SOLD BY DOE ON A SHORT TERM BASIS, AS PROVIDED FOR IN 42 FED. REG. 51635 ET. SEQ. (SEPT. 29, 1977).

4. THE ENRICHED URANIUM TO BE PURCHASED HEREUNDER IS LOCATED AT DOE'S SAVANNAH RIVER PLANT AND TITLE TO SUCH ENRICHED URANIUM SHALL PASS TO THE GOVERNMENT AS OF THE DATE OF EXECUTION OF THIS AGREEMENT.

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#### ARTICLE II - TERM OF AGREEMENT

THE TERM OF THIS AGREEMENT SHALL COMMENCE AS OF DATE OF EXECUTION HEREOF AND CONTINUE UNTIL PAYMENT IN FULL HAS BEEN MADE FOR THE ENRICHED URANIUM PURCHASED HEREUNDER.

#### ARTICLE III - PAYMENT

DOE SHALL PAY TO THE BOARD THE AMOUNT SET FORTH IN ARTICLE I HEREOF FOR THE ENRICHED URANIUM SOLD TO DOE HEREUNDER. SUCH PAYMENT SHALL BE MADE BY DOE AS SOON AS

PRACTICABLE AFTER THE DATE OF EXECUTION OF THIS AGREEMENT.

#### ARTICLE IV - ASSIGNMENT OF CLAIMS

1. PURSUANT TO THE PROVISIONS OF THE ASSIGNMENT OF CLAIMS ACT OF 1940, AS AMENDED (31 U.S.C. 203, 41 U.S.C. 15), IF THIS CONTRACT PROVIDES FOR PAYMENTS AGGREGATING \$1,000 OR MORE, CLAIMS FOR MONEYS DUE OR TO BECOME DUE THE CONTRACTOR FROM THE GOVERNMENT UNDER THIS CONTRACT MAY BE ASSIGNED TO A BANK, TRUST COMPANY, OR OTHER FINANCING INSTITUTION, INCLUDING ANY FEDERAL LENDING AGENCY, AND MAY THEREAFTER BE FURTHER ASSIGNED AND REASSIGNED TO ANY SUCH INSTITUTION. ANY SUCH ASSIGNMENT OR REASSIGNMENT SHALL COVER ALL AMOUNTS PAYABLE UNDER THIS CONTRACT AND NOT ALREADY PAID, AND SHALL NOT BE MADE TO MORE THAN ONE PARTY, EXCEPT THAT ANY SUCH ASSIGNMENT OR REASSIGNMENT MAY BE MADE TO ONE PARTY AS AGENT OR TRUSTEE FOR TWO OR MORE PARTIES PARTICIPATING IN SUCH FINANCING.

#### ARTICLE V - OFFICIALS NOT TO BENEFIT

NO MEMBER OF OR DELEGATE TO CONGRESS, OR RESIDENT COMMISSIONER, SHALL BE ADMITTED TO ANY SHARE OR PART OF THIS AGREEMENT, OR TO ANY BENEFIT THAT MAY ARISE THEREFROM; BUT  
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THIS PROVISION SHALL NOT BE CONSTRUED TO EXTEND TO THIS AGREEMENT IF MADE WITH A CORPORATION FOR ITS GENERAL BENEFIT.

#### ARTICLE VI - COVENANT AGAINST CONTINGENT FEES

THE BOARD WARRANTS THAT NO PERSON OR SELLING AGENCY HAS

BEEN EMPLOYED OR RETAINED TO SOLICIT OR SECURE THIS AGREEMENT UPON AN AGREEMENT OR UNDERSTANDING FOR A COMMISSION, PERCENTAGE, BROKERAGE, OR CONTINGENT FEE, EXCEPTING BONA FIDE EMPLOYEES OR BONA FIDE ESTABLISHED COMMERCIAL OR SELLING AGENCIES MAINTAINED BY THE BOARD FOR THE PURPOSE OF SECURING BUSINESS. FOR BREACH OR VIOLATION OF THIS WARRANTY THE GOVERNMENT SHALL HAVE THE RIGHT TO ANNUL THIS CONTRACT WITHOUT LIABILITY OR IN ITS DISCRETION TO DEDUCT FROM THE CONTRACT PRICE OR CONSIDERATION, OR OTHERWISE RECOVER, THE FULL AMOUNT OF SUCH COMMISSION, PERCENTAGE, BROKERAGE, OR CONTINGENT FEE.

ARTICLE VII - APPLICABLE LAW

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL FEDERAL LAW APPLICABLE IN THE UNITED STATES DISTRICT COURTS TO AGREEMENTS TO WHICH THE GOVERNMENT IS A PARTY.

ARTICLE VIII - NOTICES

ALL NOTICES AND COMMUNICATIONS PURSUANT TO THIS AGREEMENT FROM EITHER PARTY TO THE OTHER SHALL BE IN WRITING AND SHALL BE SENT TO THE FOLLOWING ADDRESSES:

TO DOE:  
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TO THE BOARD:

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT AS OF THE DAY AND YEAR FIRST ABOVE WRITTEN.

UNITED STATES OF AMERICA

BY: SECRETARY OF ENERGY  
BY:

REPUBLIC OF SOUTH AFRICA

BY: SOUTH AFRICA ATOMIC ENERGY BOARD  
BY: CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** URANIUM, AGREEMENT DRAFT, FUELS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** IA:NA:JGARRETT:RAE  
**Enclosure:** n/a  
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**Errors:** N/A  
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**Original Previous Classification:** n/a  
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**Review Exemptions:**  
**Review Media Identifier:**  
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**Review Release Event:**  
**Review Transfer Date:**  
**Review Withdrawn Fields:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PURCHASE OF RECOVERED URANIUM SAFARI-1 SPENT FUEL  
**TAGS:** TECH, ENRG  
**To:** PRETORIA  
**Type:** TE  
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